

JEFF BEZOS AND AMAZON



WHEN HE WAS 16, JEFF TOOK A SUMMER JOB AT MCDONALD'S, WHERE HE LEARNED MORE THAN HOW TO FLIP BURGERS.

HAMBURGER.



THE MOST CHALLENGING THING WAS TO KEEP EVERYTHING GOING AT THE RIGHT PACE DURING A RUSH.



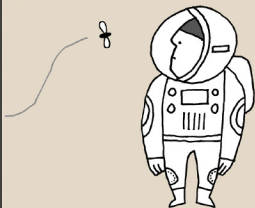
THE MANAGER AT MY MCDONALD'S WAS EXCELLENT. HE HAD A LOT OF TEENAGERS WORKING FOR HIM AND HE KEPT US FOCUSED EVEN WHILE WE HAD FUN.



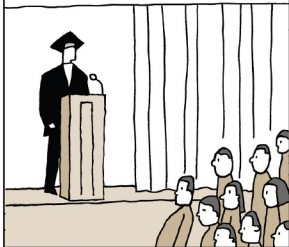
YOUNG BEZOS WAS FIERCELY COMPETITIVE. HE WON MULTIPLE AWARDS, INCLUDING BEST SCIENCE STUDENT FOR THREE YEARS AND BEST MATHS STUDENT FOR TWO.



HE WON A STATE-WIDE SCIENCE FAIR FOR AN ENTRY CONCERNING THE EFFECTS OF ZERO-GRAVITY ON THE HOUSEFLY.



HE GAVE THE VALEDICTORY ADDRESS AT HIS HIGH-SCHOOL GRADUATING CEREMONY.



HE WON THE MIAMI HERALD SILVER KNIGHT AWARD, GIVEN IN RECOGNITION TO OUTSTANDING INDIVIDUALS AND LEADERS...



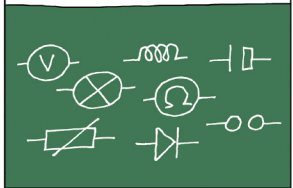
WHO HAD MAINTAINED GOOD GRADES AND APPLIED THEIR KNOWLEDGE AND TALENTS TO CONTRIBUTE TO THEIR SCHOOLS AND COMMUNITIES.



THIS ACADEMIC EXCELLENCE CONTINUED WHEN BEZOS WENT TO PRINCETON UNIVERSITY...



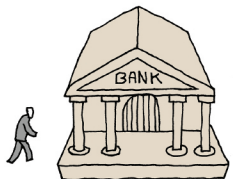
FROM WHERE HE GRADUATED IN 1987 WITH A 4.2 GRADE POINT AVERAGE AND A BACHELOR OF SCIENCE DEGREE IN ELECTRICAL ENGINEERING AND COMPUTER SCIENCE.



THEN CAME A NUMBER OF JOBS. FIRST AT FITEL, A FINANCIAL TELECOMMUNICATIONS START-UP, WHERE HE BECAME HEAD OF DEVELOPMENT AND DIRECTOR OF CUSTOMER SERVICE.



FROM THERE HE MADE THE JUMP INTO THE BANKING INDUSTRY IN 1988 AS A PRODUCT MANAGER AT BANKERS TRUST.



IN THE 1990s, WHEN THE INTERNET WAS IN ITS INFANCY, SHAW FELT THAT HIS COMPANY WAS IN A GOOD POSITION TO EXPLOIT THE EMERGING TECHNOLOGY. HE CHOSE JEFF BEZOS TO SPEARHEAD THIS EFFORT.

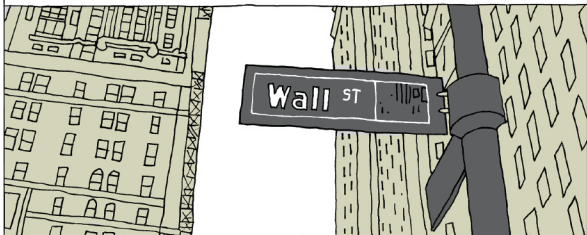
INTERNET UNDER CONSTRUCTION



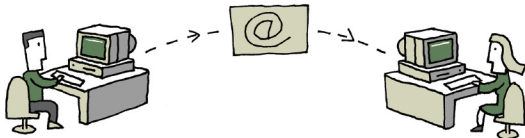
TIME REMAINING...

COULD BE A WHILE

D.E. SHAW WAS ONE OF THE FIRST WALL STREET FIRMS TO REGISTER ITS INTERNET ADDRESS (OR UNIFORM RESOURCE LOCATION - URL) IN 1992. BY COMPARISON, GOLDMAN SACHS DIDN'T REGISTER ITS URL UNTIL 1995.

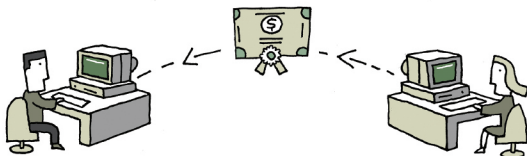


IN EARLY 1994, SEVERAL BUSINESS CONCEPTS EMERGED OUT OF THE WEEKLY DISCUSSIONS SHAW HAD WITH BEZOS. THESE IDEAS INCLUDED A FREE-TO-CONSUMER, BUT ADVERTISER-SUPPORTED, EMAIL SERVICE.



D.E. SHAW DEVELOPED THAT IDEA INTO A COMPANY CALLED JUNO, WHICH WENT PUBLIC IN 1999 AND SOON AFTER MERGED WITH ITS RIVAL, NETZERO.

ALSO DEVELOPED WAS A NEW KIND OF FINANCIAL SERVICE THAT ALLOWED INTERNET USERS TO TRADE STOCKS AND BONDS ONLINE. THIS BECAME A SHAW SUBSIDIARY CALLED FARSIGHT FINANCIAL SERVICES, WHICH WAS LATER SOLD TO MERRILL LYNCH.



ANOTHER IDEA THEY HAD WAS THE EVERYTHING STORE - AN INTERNET COMPANY THAT WOULD SERVE AS THE INTERMEDIARY BETWEEN CUSTOMERS AND MANUFACTURERS, WHICH WOULD SELL ALMOST EVERY TYPE OF PRODUCT GLOBALLY.



CUSTOMERS WOULD BE ABLE TO LEAVE WRITTEN REVIEWS OF THE PRODUCTS.

FEEDBACK



AWESOME



THIS SUCKS

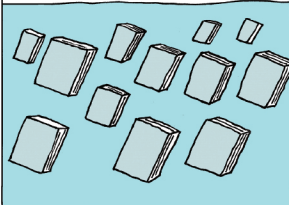
BEZOS RESEARCHED THE IDEA AND SOON REALIZED THAT AN ONLINE STORE SELLING EVERYTHING WOULD BE IMPRACTICAL AT FIRST.



HE WOULD HAVE TO START SMALL AND ADD GOODS TO THE STORE OVER TIME. IT SEEMED TO HIM THAT BOOKS WERE THE OBVIOUS PRODUCT TO BEGIN WITH.



BEZOS AND CHARLES ARDAI, D.E. SHAW'S CHIEF RECRUITER, INVESTIGATED SOME OF THE ONLINE BOOKSTORES THAT ALREADY EXISTED.



AS A TEST, ARDAI BOUGHT A COPY OF ISAAC ASIMOV'S CYBERDREAMS, EDITED BY GARDNER DOZOIS, FROM THE WEBSITE OF THE FUTURE FANTASY BOOKSTORE IN CALIFORNIA.



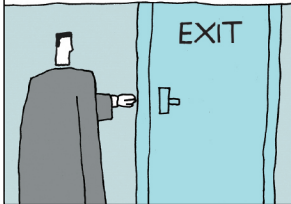
THE BOOK COST \$6.04, TOOK TWO WEEKS TO ARRIVE, AND WAS DAMAGED IN TRANSIT.



BEZOS FELT THERE WAS A HUGE OPPORTUNITY THERE IF HE COULD WORK OUT HOW TO SELL BOOKS CHEAPLY AND QUICKLY ONLINE.



HE ALSO REALISED THAT THE NEW COMPANY WOULD NEVER REALLY BE HIS IF HE DEVELOPED THE IDEA AS PART OF D.E. SHAW.



BEZOS THEN USED WHAT HE CALLED
'THE REGRET-MINIMISATION
FRAMEWORK' IN ORDER TO DECIDE
WHETHER TO LEAVE D.E. SHAW.

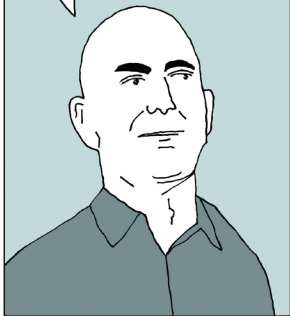
WHEN YOU ARE IN THE THICK OF
THINGS YOU CAN GET CONFUSED
BY SMALL STUFF.



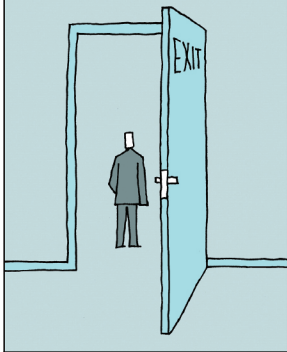
I KNEW WHEN I WAS 80 THAT I WOULD
NEVER, FOR EXAMPLE, THINK ABOUT WHY
I WALKED AWAY FROM MY 1994 WALL
STREET BONUS RIGHT IN THE MIDDLE
OF THE YEAR AT THE WORST
POSSIBLE TIME.



THAT KIND OF THING JUST ISN'T
SOMETHING YOU WORRY ABOUT WHEN
YOU'RE 80 YEARS OLD. AT THE SAME
TIME, I KNEW THAT I MIGHT SINCERELY
REGRET NOT HAVING PARTICIPATED IN
THIS THING CALLED THE INTERNET THAT
I THOUGHT WAS GOING TO BE A
REVOLUTIONIZING EVENT.



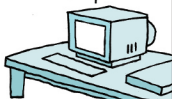
WHEN I THOUGHT ABOUT IT THAT WAY,
IT WAS INCREDIBLY EASY TO MAKE
THE DECISION.



IN AMAZON'S FIRST WEEKS, A BELL WOULD RING EACH TIME SOMEONE MADE AN ORDER.

WE GOT ONE.

DING!



THE TEAM WOULD GATHER ROUND TO SEE WHETHER IT WAS ANYONE THEY KNEW.

WHO IS IT?

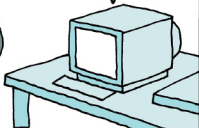
WE DON'T KNOW.



WITHIN A MONTH OF THE LAUNCH, THE BELL WAS RINGING SO OFTEN IT HAD TO BE TURNED OFF.

ARRGH!

DING! DING! DING! DING!
DING! DING! DING!



BACK THEN, WHEN A CUSTOMER BOUGHT A BOOK, AMAZON WOULD ORDER IT FROM THE DISTRIBUTOR AND IT WOULD ARRIVE AT THEIR OFFICE IN A FEW DAYS.

I ORDERED A BOOK OFF AMAZON.

CUSTOMER
↓



THEN IT WOULD BE STORED IN THE BASEMENT UNTIL IT COULD BE SHIPPED OFF TO THE CUSTOMER.

I'M WAITING FOR IT TO ARRIVE.



MOST BOOKS WOULD TAKE A WEEK TO DELIVER. RARE ITEMS MIGHT TAKE MORE THAN A MONTH.

I'M STILL WAITING.



KAPHAN ADDED A CUSTOMER REVIEW SECTION THAT HE CODED OVER A WEEKEND.



MOST OF THE EARLY REVIEWS WERE WRITTEN BY AMAZON EMPLOYEES AND FRIENDS.



SOME OF THESE REVIEWS WERE NEGATIVE. BEZOS RECEIVED AN ANGRY LETTER FROM A BOOK PUBLISHING EXECUTIVE.

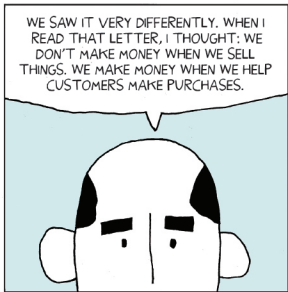
LETTER FOR YOU, JEFF.



YOUR JOB SHOULD BE TO SELL BOOKS, NOT TRASH THEM.



WE SAW IT VERY DIFFERENTLY. WHEN I READ THAT LETTER, I THOUGHT: WE DON'T MAKE MONEY WHEN WE SELL THINGS. WE MAKE MONEY WHEN WE HELP CUSTOMERS MAKE PURCHASES.



AMAZON STILL HADN'T HIRED ANYONE TO PACK BOOKS. THE STAFF, INCLUDING BEZOS HIMSELF, HAD TO TROOP DOWN TO THE BASEMENT AT NIGHT...



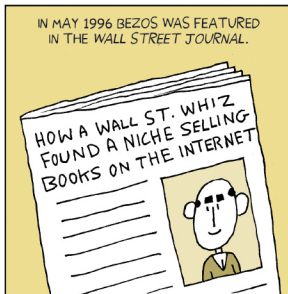
WHAT BEZOS DIDN'T WANT TO HEAR
WAS THE CANDIDATE SAYING...



HE WANTED HIS EMPLOYEES TO BE
TOTALLY COMMITTED TO AMAZON, AND
WORK 60 HOURS A WEEK, AS HE DID.



IN MAY 1996 BEZOS WAS FEATURED
IN THE WALL STREET JOURNAL.



INVESTMENT FLOODED IN.



AMAZON THEN LAUNCHED WHAT IT CALLED 'AFFILIATE MARKETING,' WHICH ALLOWED OTHER WEBSITES TO COLLECT A FEE WHEN THEY SENT CUSTOMERS TO AMAZON. THIS WASN'T A NEW INNOVATION, BUT ITS USE EXTENDED THE COMPANY'S REACH ACROSS THE INTERNET AND HELPED IT OUTPACE ITS COMPETITION.

